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April 21, 2017

**By ECFS**

Marlene Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: **KonaTel, Inc. Notice of Oral *Ex Parte* Presentations; WC Docket Nos. 09-197, 11-42**

Dear Ms. Dortch:

On April 19 and 20, 2017, Chuck Schneider and Sean McEwen of KonaTel, Inc. (KonaTel or the Company) and John Heitmann and Jennifer Wainwright of Kelley Drye & Warren LLP, counsel to KonaTel, met, in separate meetings, with Jodie Griffin, Dana Zelman, and Rashann Duvall of the Wireline Competition Bureau; Commissioner Mignon Clyburn and Claude Aiken, Wireline Advisor to Commissioner Clyburn; Amy Bender, Wireline Advisor to Commissioner Michael O’Rielly; and Jay Schwarz, Acting Wireline Advisor to Federal Communications Commission (FCC or Commission) Chairman Ajit Pai. In the meetings, we discussed issues consistent with the attached summary sheet and the Company’s pending petition for authorization to provide Lifeline voice and broadband services,<sup>1</sup> as modified on March 6, 2017.<sup>2</sup>

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<sup>1</sup> See KonaTel, Inc. Petition for Streamlined Designation as a Lifeline Broadband Provider Eligible Telecommunications Carrier, WC Docket No. 09-197 (filed Nov. 18, 2016).

<sup>2</sup> See Letter from John J. Heitmann, Kelley Drye & Warren LLP, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket Nos. 09-197, 11-42 (filed Mar. 6, 2017) (requesting that the Commission treat KonaTel’s petition as a request for designation as a Lifeline-only Eligible Telecommunications Carrier in non-Tribal areas in the states of Florida, New York, North Carolina and Texas, and that approval of the petition would also serve as approval of a KonaTel compliance plan).

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We also highlighted KonaTel's multi-faceted distribution model, which will include more than 11,000 retail locations throughout the U.S., in-person enrollment events, and the use of online and social media channels to raise awareness of the Lifeline program and enroll eligible subscribers. Finally, we discussed KonaTel's commitment to compliance with the Lifeline program requirements to further the Commission's goal of eliminating waste, fraud and abuse in the program. For example, all Lifeline applications will be subject to approval by a non-commission-based KonaTel employee, and KonaTel will undergo a third party audit of its subscriber lists every month prior to submission of its Form 497 reimbursement requests. KonaTel also does not intend to utilize the Universal Service Administrative Company's TPIV and address exceptions processes until they are reviewed and deemed acceptable by the Commission's new leadership. In addition, KonaTel will not accept as proof of eligibility for Lifeline service temporary or permanent SNAP cards in states where these cards do not include the participant's name.

Pursuant to section 1.1206(b) of the FCC's rules, this letter is being filed electronically.

Respectfully submitted,



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*Counsel to KonaTel, Inc.*

cc: Commissioner Mignon Clyburn  
Claude Aiken  
Amy Bender  
Rashann Duvall  
Jodie Griffin  
Jay Schwarz  
Dana Zelman

Enclosure



## KonaTel, Inc.

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### *What is KonaTel?*

- KonaTel has provided local and long distance voice services and broadband services, without interruption, for more than two years, and currently provides voice and/or broadband service to more than 63,600 subscribers, all of which are non-Lifeline subscribers.
  - KonaTel has **invested nearly \$1 million** to develop and implement the necessary software, infrastructure and compliance measures, and hire management, sales, customer service and compliance staff, in order to facilitate a rapid and smooth rollout of its Lifeline services. The Company intended to launch its Lifeline services in March 2017.
- KonaTel is poised to be a unique provider of next-generation Lifeline services as the program evolves and seeks to close the digital divide across the nation. KonaTel intends for its services to be a **hand-up** that will allow eligible subscribers to lift themselves out of poverty.
  - At this time, in order to begin the process of providing its unique service to low-income consumers across the country, KonaTel needs the Bureau to expeditiously approve its Petition in non-Tribal areas in the states of **Florida, New York, North Carolina, and Texas**.<sup>1</sup> Approving KonaTel as an ETC in these states will increase competition in the Lifeline market in these heavily populated, but currently underserved, states.
- Many employees and members of KonaTel's management team have more than a decade of experience in the telecommunications and broadband industries, and have received extensive training to ensure that the Company complies with the Commission's rules and requirements for the Lifeline program.

### *Unique Attributes of KonaTel's Business Model and Service Options for the Lifeline Program*

- KonaTel's broadband service offering will provide eligible Lifeline subscribers with at least 500 MB of Internet access, **primarily at 4G speeds**, each month. KonaTel's proposed Lifeline plans include the following:

	<b>Plan 1</b>	<b>Plan 2</b>
Data	500 MB at 4G or 3G speeds	2 GB at 4G speeds (followed by unlimited data at 3G/2G speeds)
Voice Minutes <sup>2</sup>	Unlimited	Unlimited
Texts	Unlimited	Unlimited
Price to Lifeline Subscribers	\$9.95/month (+\$29 activation fee)	\$19.95/month (+\$29 activation fee)

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<sup>1</sup> KonaTel respectfully requests that the Bureau's approval of KonaTel as an ETC also would serve as approval of a KonaTel Compliance Plan.

<sup>2</sup> KonaTel intends to include a voice component in all of its Lifeline plans. Thus, KonaTel is not seeking forbearance from the Commission's requirement to provide all supported services, including voice services.

- KonaTel seeks to maximize choice and flexibility in its Lifeline service offerings by offering **basic minimum service standard-compliant voice and broadband service plans at no cost to the subscriber**, as well as offering **enhanced voice and broadband offerings to those subscribers who are willing and able to pay a low monthly fee for service**.<sup>3</sup> KonaTel also will make available various “top-up” options at affordable prices.
  - KonaTel also will offer a full suite of affordable non-Lifeline service plans so that subscribers who “graduate” from the Lifeline program can continue to receive uninterrupted service from KonaTel.
- KonaTel’s Lifeline-supported mobile broadband offering will include a Wi-Fi-enabled smartphone, and the Company anticipates that most of these devices will be **FM-capable upon activation**.<sup>4</sup> KonaTel’s devices also will be **4G-capable** and **hotspot-capable**. (In addition, KonaTel will make available upgraded LTE-capable devices or allow subscribers to utilize their own LTE-capable devices as part of a “bring-your-own-device” service option.)
- KonaTel anticipates that this inclusive and innovative business model will allow the Company to build a unique brand loyalty with its customers such that they are more likely to take advantage of the program benefits without imposing additional costs on the program caused by churn.
- KonaTel is aware of the Commission’s Lifeline program requirements and has established detailed and comprehensive procedures to ensure its service is provided in compliance with those requirements. KonaTel would welcome the opportunity to collaborate with Commission staff and USAC to assist in furthering the Commission’s goal of eliminating waste, fraud and abuse in the Lifeline program.

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<sup>3</sup> If a Lifeline subscriber who is enrolled in one of KonaTel’s enhanced Lifeline plans cannot afford to pay for service in a particular month, that subscriber will revert back to KonaTel’s no-cost Lifeline plan. Thus, the subscriber will not lose service simply because of an inability to pay.

<sup>4</sup> As Chairman Pai recently noted, FM-chip activation provides benefits for consumers such as the ability to obtain “vital information in emergency situations – particularly when the wireless network is down or overloaded,” and access to “content over-the-air, while using one-sixth the battery life and less data.” See Remarks of FCC Chairman Ajit Pai at the North American Broadcasters Association’s Future of Radio and Audio Symposium (Feb. 16, 2017).